



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 11/8/2002

GAIN Report #IN2074

## India

### Agricultural Situation

### Weekly Highlights & Hot Bites, #6

2002

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#### Report Highlights:

**\*Decision on GM mustard deferred\*, \*GM golden rice to be made available for local adaptations\*, \*Draft for biotech regulation proposed\*, \*A Californian wine comes to Delhi\*, \*Qualification required for owners & managers of food factories\*, \*Indian Prime Minister seeks trade block with Asean\*, \*Wheat exports to South East Asia\*, \*Wheat for Afghanistan\*, \*No immediate plans to cut palm oil duty\*, \*Garment sales down 10% in October\*.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1], IN

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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### **DECISION ON GM MUSTARD DEFERRED**

The Genetic Engineering Approval Committee (GEAC) which met on November 7 to discuss the commercialization of three varieties of GM mustard; namely, MT 95002, 95003 and 95005 and has deferred its decision. These hybrids during field trials showed a 20 percent advantage in terms of seed yield and over 24 percent in oil yield.

After a two hour detailed presentation of the data emanating out of field trials and studies by the company representatives, inter-ministerial committee representatives asked for more time (four weeks) to analyze and interpret the available data. The GEAC chairman, Mr. Gokhale, said that the committee will take a hard look at GM mustard as it is being viewed as a more complex issue than Bt cotton given the perceived dangers of cross pollination and contamination of the food chain. Mr Gokhale also mentioned that it is an European transgenic technology being transferred by Aventis & PGS of Belgium. The fact that Europe has so far not allowed any GM crop on its soil makes it an important point to ponder while approving a technology from a foreign country where has not been adopted. Facing a situation of tough opposition from NGOs like Green Peace and other anti-GM lobbyists, GEAC has now decided to initiate an open house debate on approval by inviting farmers, scientists, NGOs and journalists before its next meeting scheduled in four weeks. (Source: Economic Times, Financial Express - 11/08/02)

### **GM GOLDEN RICE TO BE MADE AVAILABLE FOR LOCAL ADAPTATIONS**

The technology for production of 'Golden Rice', which is considered to be an option to aid in the struggle to end the malnutrition in the developing countries where rice is the staple food, is being made freely available by its developers for further development under local conditions. This is the first genetically engineered product in the public domain. This new variety of rice is expected to be ready for field trials over the next three years. The developers of the golden rice variety have assured that the genetic material for golden rice would be made available to India in two or three weeks. Golden rice will be introduced into India in the established organizational framework of ISCB, an Indo-Swiss Collaborative Program on Biotechnology under which, the Department of Biotechnology will have the license to supply seeds to institutions that will develop the local varieties. (Source: Business Line 11/05/02)

### **DRAFT FOR BIOTECH REGULATION PROPOSED**

Agricultural scientists have come out with a draft agenda focusing on enhanced transparency and participatory approach to regulate commercialization of transgenic plant varieties. The

recommendations based on available scientific data with focus on socio-economic aspects called for avoiding the release of genetically modified rice in areas identified as being the origin or source of rice varieties. The workshop which included the scientists from various countries including the US discussed the impact of commercialization of particularly rice on human and environmental health. The final draft of the recommendations would be made available shortly on the website: <http://www.gmriceworkshop.com> (Source: Business Line 11/01/02)

### **A CALIFORNIAN WINE COMES TO DELHI**

The California-based winemaker, Kendall-Jackson Wine Estate Ltd., is promoting its mid-priced collage wines as well as full premium wines in Delhi over a week long period ending November 2<sup>nd</sup>. Their regional sales director informed that they plan to bring 10-12 wines from three different grades. The wines will be imported and marketed by a local company Brindco Ltd. and will be made available at all five star hotels and stand alone upmarket bar-cum-restaurants across the country. (Source: Financial Express, 11/03/02)

### **QUALIFICATION REQUIRED FOR OWNERS & MANAGERS OF FOOD FACTORIES**

The Central Committee on Food Standards (CCFS) under the Health Ministry has recommended minimum qualification for the owner/manager of the food unit or the person supervising the manufacturing process in the food industry to insure good hygienic practice (GHP), good manufacturing practice (GMP), and hazard analysis control at critical control points (HACCP) in the food industry and trade. This is based on the recommendations of a recent workshop conducted by the National Institute of Nutrition in Hyderabad. The CCFS recommended that the manufacturing and packing of processed foods and servicing of food in hotels and restaurants should be supervised by a person having a degree in science with chemistry or home science or persons having a diploma in food technology from a recognized institution. The names of such persons should be notified to the health authority of the state under the Prevention of Food Adulteration Act. (Source: Financial Express, 11/4/02)

### **INDIAN PRIME MINISTER SEEKS TRADE BLOCK WITH ASEAN**

In a major initiative to boost trade and economic ties with South East Asian countries, Indian Prime Minister Atal Bihari Vajpayee asked the members of Association of South East Asian Nations (ASEAN) to establish a free trade area with India in the next ten years and announced greater tariff concessions to its less developed members, namely Myanmar, Cambodia, Laos, and Vietnam. Speaking at the first India - ASEAN summit in Phnom Penh on November 5, Prime Minister Vajpayee told that the task force set up in Brunei in September this year to enhance trade links with India should explore the options for creating a free-trade area and submit its report to the next ASEAN summit scheduled to be held in Bali, Indonesia in October 2003. (Source: Financial Express, 11/6/02)

### **WHEAT EXPORTS TO SOUTH EAST ASIA**

According to official sources, one of the state trading enterprises has won a contract to export

around 275,000 tons of milling wheat, one of the single largest deals for wheat exports, mainly to Malaysia through a Singapore based trader, at \$108 per metric ton (FOB). The contract was clinched last month, its execution has already begun, and delivery is to be completed by end of the year. (Source: Business Line. 11/6/02)

### **WHEAT FOR AFGHANISTAN**

In the largest ever food donation through the World Food Program (WFP), Indian wheat converted into high energy biscuits would be sent to Afghanistan. According to WFP Deputy Director (India), Mr. Gerald Dely, the first tranche of 40,000 tons of wheat converted into 9,526 tons of biscuits is likely to leave for Afghanistan via Bandar Abbas (Iranian port) in a fortnight. The biscuits are being prepared by three private bakeries who are being paid in kind for the processing, with four tons of wheat for every ton of biscuits. (Source: Business Line, 11/7/02)

### **NO IMMEDIATE PLANS TO CUT PALM OIL DUTY**

Indian food minister had categorically ruled out any change in the palm oil tariffs right now in response to Malaysian Prime Minister Mahathir Mohamad's recent visit to India. India imposes a basic import tariff of 65 percent on crude palm oil compared with 45 percent on soybean oil imports. The Malaysian prime minister during his visit last month said that his country is justified in asking for a cut in palm tariff as the US negotiated a better deal with India. Malaysia believes that Indian buyers have been switching to soybean oil imports because of lower duties at the expense of palm oil. (Source: Economic Times 11/01/02)

### **GARMENT SALES DOWN 10% IN OCTOBER**

Faced with a significant drop in demand due to the economic slowdown, retail sale of apparel has come down as much as 10 percent during festival season (October onwards). General Secretary of Federation of Retail Trade Association informed that overall demand declined by 10-15 percent compared to last year as small stores find fewer customers. However, big retailers have reportedly done well with sales up nearly 30 percent. Industry sources report customers' preference from shopping at a single location has supported sales of big retailers. (Source: Economic Times 11/07/02)

### **WE ARE ON THE NET**

We are available at <http://www.usembassy.state.gov/posts/in1/www43.html> or visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS worldwide agricultural reporting.

### **FAS/NEWDELHI EMAIL**

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